

**NH Department of Health and Human Services**  
**Mental Health (MH) and Substance Use Disorder (SUD) Parity**

**Proposed Compliance Monitoring Plan**

**Final Draft for Review: August 23, 2017**

**Background:**

In March of 2016 the Centers for Medicare and Medicaid Services (CMS) finalized a rule to strengthen access to mental health (MH) and substance use disorder services (SUD) for people with Medicaid, Children's Health Insurance Program (CHIP), or Alternative Benefit Plan (ABP) coverage, similar to the requirements that were already in place for private health insurance plans.

In summary, the rule requires Medicaid Managed Care Plans, Children's Health Insurance Programs and Alternative Benefit Plans to ensure that they are not placing limits on access to MH or SUD services that are not similarly applied to medical/surgical services.

In order to ensure that inappropriate limits are not being placed on these services, the NH Department of Health and Human Services [NH DHHS] is required to conduct a Parity Analysis and submit the results of this analysis to the Centers for Medicare and Medicaid Services (CMS) no later than October 2, 2017.

The Department is also required to submit a plan for ensuring ongoing compliance monitoring and is interested in your input. Please send your comments, questions and suggestions about this plan to: [nhparity@dhhs.nh.gov](mailto:nhparity@dhhs.nh.gov) no later than **September 14, 2017**.

**Proposed Mental Health (MH) and Substance Use Disorder (SUD) Parity Compliance Monitoring Plan:**

Following the demonstration of parity compliance by NH's two Managed Care Organizations (MCOs) in October 2017, the NH Department of Health and Human Services (DHHS) will initiate an ongoing parity compliance monitoring plan. DHHS will leverage the existing Managed Care Management (MCM) contract compliance monitoring program to monitor for potential parity issues. Monitoring will focus on Mental Health (MH), Substance Use Disorder (SUD), and Medical Surgical (M/S) benefits comparing Managed Care Organization (MCO) activities in the four benefit classifications (i.e. inpatient, outpatient, pharmacy, and emergency care) for potential parity issues.

To supplement the existing compliance programs, DHHS will conduct annual document reviews, seek stakeholder input, review administrative appeals filed with DHHS and potentially conduct targeted external quality review activities.

Finally, DHHS will present key findings and relevant data from the compliance monitoring program to various stakeholders of the NH Medicaid program.

## **Existing MCM Compliance Monitoring Program**

NH DHHS currently has a robust system for compliance monitoring of the MCO's performance. The system includes over 400 quality measures reported by the MCOs to monitor various domains of quality and performance. Systems are used for developing reliable specifications for each quality measure (which can include identifying existing evidence based measures) as well as validating data submitted by the MCOs. Validated MCO data is then reviewed for red flag issues that are utilized for program management.

Foundational to the program is the establishment of roles and responsibilities for each stage of the process. The DHHS Office of Quality Assurance and Improvement (OQAI) leads the development of performance measures, data validation, and communication of red flag issues. Program managers at DHHS are the recipient of red flag issues and use the information for various processes (e.g. corrective action plans, policy development). The current process can be maintained because the DHHS Parity Project Core Team contains representation from OQAI and Program Managers from the Office of Medicaid Services as well as the Division for Behavioral Health.

## **MCO Reporting**

Existing MCO reporting for service utilization, member grievances, member appeals, and service authorizations will be utilized and expanded to monitor for potential parity issues at the classification level. DHHS will also continue to require MCOs to conduct annual recertification to demonstrate parity when substantive changes have occurred in the MCO's Qualitative Treatment Limits (QTL) and Non-Qualitative Treatment Limits (NQTL). In addition, DHHS will require Semi-Annual reporting on parity compliance from each of the MCOs.

### **Semi-Annual Parity Compliance -**

On a semi-annual basis the MCOs will report at the classification and service level the following data:

- # Services provided;
- # Service authorizations;
- % Services provided requiring a service authorization;
- # Services authorizations denied;
- % Service authorizations denied;
- # Service authorizations with member appeal;
- % Service authorizations with member appeal; and
- # Member grievances filed.

At the classification level MCOs will be required to provide narrative explaining variances between the MH/SUD and M/S benefits and whether a parity issue may exist. This analysis must take into consideration the QTLs and NQTLs in each service within the classifications. Variances will be focused on rates of service authorizations, service authorization denials, appeals, and counts of member grievances.

## **Annual Recertification –**

Annually the MCOs will need to recertify compliance with Mental Health (MH) and Substance Use Disorder (SUD) Parity requirements. Recertification includes verifying changes in service limitations for all MH or SUD services. MCOs will complete the Behavioral Health Parity Analysis Tool and narrative for benefit classifications with any changes in limits for MH, SUD, and Medical Surgical (M/S) services.

## **MCO Specification Development and Data Validation**

After the demonstration of parity compliance, DHHS will begin work on developing the specifications for the tools used for ongoing monitoring. Specifications will be reviewed with the MCOs for further clarification and revisions.

Once specifications are finalized the MCOs will begin reporting on the established schedule. Reports will be received by the NH DHHS Office of Quality Assurance and Improvement (OQAI) and validated to assure the accuracy and completeness of the data.

## **Red Flags and Confirmation of Parity Issues**

Red flag issues will be identified to program managers by OQAI. Red flags will primarily include the variances between the MH/SUD and M/S benefits identified in the MCO semi-annual reporting.

These variances as well as the MCO's narrative reporting will be used by program managers to confirm whether a parity issue exists.

In some instances further information may be needed from the MCO to confirm a parity issue. This can include administrative data for targeted services in a classification. Administrative data will be reviewed for trends that show a decrease greater than 10% in service utilization.

## **Corrective Action**

If it is determined that any of the MCO's administrative, clinical, and utilization practices were not in compliance with relevant requirements of the Federal Mental Health Parity Law or guidance issued by state and federal entities during the calendar year, the MCO will include a list of the practices not in compliance and the steps the MCO will take to bring these practices into compliance. DHHS program managers will regularly monitor the MCOs compliance until the practices are determined to be in compliance with parity requirements.

## **MCO Document Review**

On an annual basis DHHS will conduct targeted MCO document reviews. These reviews may include MCO policies, member handbooks, and provider manuals. Document reviews will be used to identify potential MH and SUD treatment limitations. The results of the review will be cross referenced with the MCO's Behavioral Health Parity Analysis Tool. The NH DHHS BH/SUD Parity Workgroup will address discrepancies with the MCOs.

## **State Administrative Appeals**

Members who are unsatisfied with the results of an appeal filed with the MCOs have the opportunity to request an administrative appeal directly with DHHS. In addition to evaluating member grievances and appeals for parity, DHHS will periodically review administrative appeals for potential parity issues.

## **Stakeholder Input**

DHHS has established a proactive system to monitor for potential parity issues. While the approach is comprehensive it would be incomplete without considering the direct experience of Medicaid beneficiaries, providers and other stakeholders. DHHS has established a dedicated e-mail address that stakeholders can use to report potential parity issues. Promotion of how to report a parity issue will be discussed by:

- DHHS during member and provider stakeholder forums;
- DHHS during presentations to the Medicaid Medical Care Advisory Committee; and
- MCOs during their quarterly Member Advisory Council meetings.

The dedicated email address for reporting potential parity issues or concerns is: [nhparity@dhhs.nh.gov](mailto:nhparity@dhhs.nh.gov)

## **External Review**

DHHS will potentially utilize the DHHS Medicaid External Quality Review Organization (EQRO) for targeted reviews related to Behavioral Health Parity. The potential activities would include CMS mandatory and optional external review activities for states with Medicaid Managed Care.

First, DHHS may use the EQRO for the mandatory CMS activity of data validation. The activity may be used for MCO reporting to assure the data is validated by an external entity. Then, DHHS may also use the EQRO for targeted file reviews. File reviews may be used in the event that monitoring suggests that an MCO is not accurately applying their medical utilization policies for authorizing MH/SUD services.

## **Reporting Compliance Monitoring Results**

On at least an annual basis, the Department will report to the Medicaid Medical Care Advisory Committee and publicly post any key findings and relevant data which can assist in communicating the state's overall pathway to achieving and maintaining Parity.